Michigan Department of Civil Service

REGULATION

SPDOC No.:	Effective Date:	Index Reference:	Regulation Number:
05-11	June 19, 2005	Group Insurance Benefit Complaints	**5.18**
Issuing Bureau:	**Rule Reference:**		**Replaces:**
Employee Benefits	Rule: 5-11 (Group Insurance Plans)		Reg. 5.18 (SPDOC 03-11, April 14, 2003)
Subject: COMPLAINTS ABOUT BENEFITS			

TABLE OF CONTENTS

---

1. PURPOSE

This regulation provides procedures for classified employees to file complaints regarding (1) benefits under group insurance plans, (2) qualified pretax plans, and (3) decisions by the Department of Civil Service to require involuntary payroll deductions to recover overcompensation.

2. CIVIL SERVICE COMMISSION RULE REFERENCE

Rule 5-11 Group Insurance Plans

5-11.1 Types of Group Insurance Plans

** * **

(e) ***Administration.*** *The department of civil service is responsible for implementing and administering the group insurance plans approved by the civil service commission.*

(1) ***Complaints.*** *The state personnel director shall provide an expedited administrative review of employee complaints regarding group insurance plan benefits. The director's administrative review process is the exclusive procedure for reviewing employee complaints regarding group insurance plan benefits. An employee aggrieved by a final administrative decision may appeal the decision to the civil service commission as provided in the civil service rules and regulations.*

* * *

3. DEFINITIONS

A. Civil Service Commission Rule Definitions

1. ***Group insurance benefits*** *means eligibility, enrollments, premiums, coverages, exclusions, costs, reimbursements, payments, copayments, deductibles, coordination of benefits, or other benefits authorized under the group insurance plans.*

B. Additional Definitions as used in this Regulation

1. ***Group insurance plans*** means all of the following:
   a. The group insurance plans authorized in the compensation plan for employee health (medical, dental, vision), disability, life, and accidental death.
   b. COBRA and other insurance continuation programs authorized by law or the compensation plan.
2. ***Improper reimbursement*** means a reimbursement under a qualified pretax plan that is not authorized under applicable law or properly documented by the employee.
3. ***Qualified pretax plan*** means any of the following:
   a. Medical care spending accounts authorized by law.
   b. Dependent care spending accounts authorized by law.
   c. Qualified parking reimbursement plans authorized by law.

4. STANDARDS

A. Exclusive Procedures.

A classified employee with a complaint regarding a group insurance benefit or qualified pretax plan may complain under the exclusive procedures provided in this regulation.

B. Complaints Regarding Self-funded Plans.

A self-funded group insurance plan is a plan where a contract plan administrator processes claims on behalf of the State but the State retains final responsibility for the cost of all claims.

1. **Plans and Plan Administrators.** The following table lists the self-funded group insurance plans and the plan administrator for each plan (as of the date of this regulation):

Self-funded Group Insurance Plan	Plan Administrator
1. State Health Plan PPO	1. Blue Cross Blue Shield of Michigan
2. Catastrophic Health Plan	2. Blue Cross Blue Shield of Michigan
3. State Dental Plan	3. Delta Dental Plan of Michigan
4. Preventive Dental Plan	4. Delta Dental Plan of Michigan
5. State Vision Plan	5. Blue Cross Blue Shield of Michigan
6. State Mental Health & Substance Abuse Plan	6. Magellan Behavioral Health
7. State Prescription Drug Plan	7. Express Scripts
8. Group Life Insurance Plan	8. Mutual of Omaha
9. Long-term Disability Plan	9. Broadspire

2. **Initial Complaint to Plan Administrator.** If a plan administrator is responsible for a group insurance benefit or qualified pretax plan decision, an employee with a complaint must file the complaint as follows:

   a. **Step 1: Complaint to Plan Administrator.** The employee must first file a timely complaint with the plan administrator and exhaust all complaint and appeal mechanisms provided by the plan administrator.

   b. **Step 2: Appeal of Plan Administrator's Decision.**

      (1) **Where to File Appeal.** If an employee is dissatisfied with the final decision of the plan administrator, the employee may appeal the plan administrator's decision, as follows:

         (a) **All Plans except Long-term Disability Plan.** Except for an appeal regarding the long-term disability plan, an appeal must be filed in writing with the **Employee Benefits Division of the Department of Civil Service**. The appeal must be received within 14 calendar days after the date of the final decision issued by the plan administrator.

         (b) **Long-term Disability Plan.** An appeal of the decision of the plan administrator for the long-term disability plan must be filed with the **Office of the State Employer**. The appeal must be received within 14 calendar days after the date of the final decision issued by the plan administrator for the long-term disability plan.

      (2) **Procedures.**

         (a) **Time limit to appeal.** The appeal must be received by the Employee Benefits Division or the Office of the State Employer, as appropriate, within 14 calendar days after the date of the decision of the plan administrator.

         (b) **Documents.** The appeal must include copies of all decisions of the plan administrator and any other relevant information needed to consider the appeal.

      (3) **Review and decision.**

         (a) **Staff review and decision.** The Employee Benefits Division or Office of the State Employer, as appropriate, may first conduct a staff review of the appeal and give an expedited decision on the appeal.

(b) **Request for full review.** If an expedited staff decision is issued and the employee disagrees, the employee must notify the Employee Benefits Division or Office of the State Employer, as appropriate, within 14 calendar days after the date of the staff decision and request a full review by the State Personnel Director or the Director's designee. If the employee fails to timely object to the staff decision, the administrative decision is final.

(c) **Full review and decision.** If (1) staff does not issue an expedited staff decision or (2) an employee objects to an expedited staff decision and timely requests a full review, the State Personnel Director or the Director's designee shall review the record, obtain any other information necessary to evaluate the complaint and appeal, and issue a decision on the appeal.

3. **Direct Complaint to Civil Service.** If the plan administrator is NOT responsible for the group insurance benefit or qualified pretax plan decision, an employee with a complaint must file a complaint as follows.

   a. **Complaint.** The employee may file a complaint in writing directly to the **Employee Benefits Division of the Department of Civil Service**. The direct complaint must be received by the Employee Benefits Division within 28 calendar days after the employee knew of or, in the exercise of reasonable diligence, should have known of the circumstances giving rise to the complaint.

   b. **Copies.** The complaint must include copies of all relevant information needed to consider the complaint.

   c. **Review and decision.**

      (1) **Staff review and decision.** The Employee Benefits Division may conduct an administrative staff review of the appeal and give an expedited decision on the appeal.

      (2) **Request for full review.** If an employee objects to an expedited staff decision, the employee must notify the Employee Benefits Division within 14 calendar days after the date of the staff decision and request a full review by the State Personnel Director or the Director's designee. If the employee fails to timely object to the staff decision, the staff decision is final.

      (3) **Full review and decision.** If (1) no staff review is given or (2) an employee objects to an expedited staff decision and

timely requests a full review, the State Personnel Director or the Director's designee shall review the record, obtain any other information necessary to evaluate the complaint and appeal, and issue a decision on the appeal.

4. **Further Appeal to Civil Service Commission.** An employee dissatisfied with the final decision of the State Personnel Director or the Director's designee may appeal the decision to the Civil Service Commission, as provided in the applicable rules and regulations. An expedited staff decision is not appealable to the Commission.

C. Complaints Regarding HMOs and DMOs.

Health Maintenance Organizations (HMOs) and Dental Maintenance Organizations (DMOs) are not self-funded plans. If an HMO or DMO is responsible for a group insurance benefit decision, an employee with a complaint must file a complaint directly with the applicable HMO or DMO. A final decision of an HMO or a DMO cannot be appealed to the State Personnel Director or the Civil Service Commission.

D. Complaints Regarding Qualified Pretax Plans.

Complaints regarding qualified pretax plans arising under or related to regulation 5.20 [Correcting Benefit Errors] must be filed with the Department of Civil Service under Standard 4(B), above.

E. Complaints Regarding Involuntary Payroll Deductions by Civil Service.

Complaints against the Department of Civil Service regarding involuntary payroll deductions to recover overpayments as authorized in regulation 5.16 [Correcting Errors in Compensation] must be filed with the Department of Civil Service under Standard 4(B)(3), above. Complaints against an appointing authority regarding involuntary payroll deductions must be filed under the grievance process.

F. Privacy Complaints.

1. **Complaint Filing.** An eligible classified employee enrolled in a health plan administered and self-insured by the State of Michigan who believes that the employee's personal health information related to benefit eligibility or enrollment has been improperly used or disclosed may file a complaint with the Privacy Official for the Employee Benefits Division of the Michigan Department of Civil Service. The complaint must be filed on the CS-1782 HIPAA Privacy Complaint Form, which is available at the Employee Benefits section of the Department of Civil Service homepage, www.michigan.gov/mdcs. The complaint must

identify the alleged violation of privacy rights with sufficient specificity to allow further review.

2. **Privacy Official Review.** The Privacy Official or a designee shall review the complaint and make written findings of fact regarding the alleged violation of privacy policies. This decision is final. The Privacy Official shall send copies of the written findings to the complainant and any relevant appointing authority. The Privacy Official shall continuously evaluate complaints to seek improvements to existing health plan privacy procedures. An appointing authority shall consider all appropriate discipline of an employee found by the Privacy Official or designee to have violated privacy procedures.

CONTACT

Questions regarding this regulation should be directed to the Employee Benefits Division, Department of Civil Service, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone, at 517-373-7977 or 1-800-505-5011. Questions regarding privacy complaints can be directed to the Privacy Official for the Department of Civil Service at the same address and phone numbers or to MDCS-HIPAA@michigan.gov.

NOTE: Regulations are issued by the State Personnel Director, under authority granted in the *State of Michigan Constitution* and the *Michigan Civil Service Commission Rules*. Regulations that implement Commission Rules are subordinate to those Rules.